From: LGREHER --VUS0212A

To: ECERMACK--VUS0212A Edward Cermack

Subject: MOROCCO - XWN (EXPORT HEALTH WARNINGS)

I SPOKE WITH HARALD SCHEDEL'S ASSISTANT REGARDING THE REGIE'S REFUSAL OF THE SHIPMENT FROM ANTWERP THAT CARRIED XWN. HER UNDERSTANDING IS THAT THE REGIE REFUSED THE GOODS ON THE BASIS THAT THE XWN WAS THERE. HARALD WAS IN CASABLANCA TODAY AND SHOULD HAVE RECEIVED A LETTER FROM THE REGIE INDICATING THEIR REFUSAL OF THE PRODUCT AND THE REASON FOR IT. (HARALD IS ON HIS WAY TO PARIS AND WILL GET A MESSAGE TO CALL ME FROM THERE.)

I ALSO SPOKE WITH ANDY REIMAN WHO HAS BEEN THROUGH THE WHOLE SUBJECT BOTH WITH HARALD AND ANDREAS AS WELL AS WITH GEOFF, LEE, AND MURRAY BRING.

THE AGREEMENT WAS REACHED THAT, IF WE GET THE ABOVE MENTIONED LETTER, WE CAN SHIP NON-CAUTION PRODUCT TO MOROCCO. HARALD'S ORIGINAL POSITION, THAT WE COULD STICKER OVER THE XWN, DID NOT SIT WELL WITH GEOFF ON FIRST HEARING.

HARALD AND ANDREAS WILL REVIEW THE SITUATION WITH GEOFF TO DETERMINE OUR ULTIMATE SOLUTION -- TO STICKER OVER THE XWN OR TO PRODUCE WITH NEW NON-CAUTION BLANKS.

IF WE WERE TO HAVE TO RE-PRODUCE WITH NEW BLANKS, WE WOULD HAVE TO HAVE THEM AVAILABLE FOR PRODUCTION, HENCE, TERRY'S REQUEST FOR PURCHASE OF NON-CAUTION MATERIALS.

RE THE LONGER TERM, THERE IS LEGISLATION PENDING IN MOROCCO REGARDING A LOCAL HEALTH WARNING. WE DO NOT KNOW (1) IF THIS WILL PASS, OR (2) HOW LONG IT MIGHT TAKE UNTIL THERE IS SOME MOVEMENT ON THIS ISSUE LOCALLY.

BEST REGARDS,

LESLIE

cc: LPOLLAK --VUS0212A Lee Pollak RROPER --VUS0212A Robert Roper

END OF NOTE